

**MEMORANDUM****SECRET**  
Security Information

Jan 53

**TO: Deputy Director (Plans)**

**SUBJECT: Administrative Plan for Subsidy Phases of SR  
Project AERODYNAMIC**

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES/METHODS EXEMPTION 3828  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

**I. Objective**

1. To provide for the exploitation and expansion of the anti-Soviet Ukrainian resistance movement for cold war and hot war purposes. The subsidy phases provide for grants to a ~~UKRAINIAN~~ Ukrainian newspaper for the purpose of attempting to unify the major Ukrainian groups and for grants to a political cadre school which will serve as a training center for political action agents for operations into the Ukrainian S. S. R.

**II. Instrumentality**

2. A Ukrainian newspaper is subsidized through AECASSOWARY/1 for the purpose of attempting to unify the various Ukrainian emigre groups in Western Europe. The newspaper is well established and has a good reputation within the Ukrainian emigration. Funds are introduced into the newspaper by AECASSOWARY/3, the principal indigenous agent, as contributions received by AECASSOWARY/1, from its members. The SR Field Case Officer makes suggestions concerning the editorial policy of the newspaper through the indigenous principal agent. The staff of the newspaper is unwitting.

3. AECASSOWARY/1 has arranged for the organization of a political cadre school as an extension function of an established university in the area. Funds for the operation of this school will be furnished by AECASSOWARY/1 from funds ostensibly contributed by its members. AECASSOWARY/s will

**SECRET**  
Security Information

transmit the funds to a cleared representative of the university. The curriculum of the school will be approved by the SR Field Case Officer through AECASSOWARY/s.

### III. Approval

4. On 30 January 1953 the DGI authorized the renewal of the project and approved in principle the sum of [ ] for fiscal year 1953. Subsidy payments of [ ] for the newspaper and [ ] for the cadre school were included in the amount approved for the project.

### IV. Administrative Plan

5. The attached Administrative Plan has the concurrence of the respective offices of interest and it is recommended for your approval.

[ ]  
Project Administrative Planning Staff, DD/A

[ ]  
Project Officer

**AERODYNAMIC  
Administrative Plan**

**SECRET**  
Security Information

**I. Funding**

1. Funds will be made available for the subsidy phases of this project on the basis of a field allotment to the Chief of Station in accordance with the approved budget and the terms and conditions of the project approval on the request of the SR Field Case Officer supervising the project.

2. The Field Case Officer will transmit the funds to AECASSOWARY/2, the representative of AECASSOWARY/1, who shall receipt for the funds. The receipt will show date, payer, and the amount of funds received.

**II. Organization**

3. The representative of AECASSOWARY/1 who is used as a cutout for transmittal of funds to the newspaper and to the school shall have an operational clearance.

4. The representative of the newspaper and the representative of the school to whom the cutout transmits the funds shall be appropriately cleared and shall be unwitting.

**III. Operational Control**

5. Operational control of the school will be maintained by the SR Field Case Officer through <sup>cleared representatives of</sup> AECASSOWARY/1. AECASSOWARY/1 will achieve control through the placement of their representatives in key positions in the school.

6. Operational control of the newspaper will be maintained by the SR Field Case Officer who suggests changes in the editorial policy of the newspaper through <sup>cleared representatives of</sup> AECASSOWARY/1.

**SECRET**  
Security Information

IV. Accounting

7. The newspaper and the school shall submit a monthly statement of cash receipts and disbursements. This report shall show the cash balance at the beginning and at the end of the period and shall clearly disbursements by purpose of expenditures. The newspaper shall also submit, at least quarterly, a balance sheet as of the end of the period.

Copies of these reports will be forwarded to SR and the Finance Division.

V. Withhold and Financial Control

8. All funds advanced for the subsidy phases of this project will be recorded as an allotment expenditure at the time the advance is made by

the Agency.

9. The Authorized Certifying Officer is empowered to write off to

expense all funds advanced for the subsidy phases of this project on the

basis of receipts signed by a representative of AECASSOWARY/1 showing

the date, payer, ~~paper~~, and the amount of funds received.

10. At the time an advance is made memorandum control accounts

will be established by the ~~XXXXXX~~ Finance Division reflecting the advance to

the project. These advances shall be cleared from the memorandum control

accounts upon receipt by the Finance Division of financial statements showing

utilization of the funds provided and a statement from the SR Field Case Officer

supervising the project that the funds have been expended for the purpose

for which they were advanced and that the accomplishments of the group

warrants continuing subsidy payments.

**VI. Audit**

**II. The audit program for the project shall be determined and carried out in accordance with Agency regulations.**